*Approved FerRelease 2003/01/29 : CIA-RDP79T00336A009100450001-1

29 August 1966

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CENTRAL INTELLIGENCE BULLETIN

CURRENT INTELLIGENCE RELATING TO NATIONAL SECURITY

State Department review completed

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29 August 1966

CENTRAL INTELLIGENCE BULLETIN

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Malta-UK: The proposed reduction of Britain's military force on Malta would have serious economic consequences for the island with possible political repercussions.

As part of its recent economic austerity measures, London now plans to cut its Maltese establishment to a small logistics and communications facility by the end of 1969. Britain has been reducing its Mediterranean head-quarters on Malta since 1959 and has promised Malta \$142.8 million in development aid between 1964 and 1974 to help create alternate sources of employment.

The US ambassador to Malta warns that the accelerated cuts could throw some 4,000-5,000 Maltese out of work long before the economy can absorb them, increasing the island's unemployment from 8 percent to 14 percent of the labor force. Maltese officials have asked the US to provide the necessary jobs--presumably by stationing US forces on the island--and have threatened to seek Soviet economic assistance if Western aid is not forthcoming.

Opposition leader Dom Mintoff will probably gain additional support if the reductions occur. He has long argued that Malta is already undercompensated for giving Britain exclusive military rights and claims that he could obtain Communist and neutralist economic assistance.

25X1 Even Mintoff, however, would not be likely to forfeit British economic assistance by accepting non-Western military forces. The Soviets probably would not want to take over Malta's economic problems from Britain.

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Guyana: Strong disagreement threatens to cause an open split between the two leaders of the government coalition.

During the past week there has been a sharp increase in the conflict between Prime Minister Forbes Burnham and Finance Minister Peter D'Aguiar, who have distrusted each other since they formed a government in late 1964. US Ambassador Carlson reports that Burnham is considering steps to reduce D'Aguiar's authority which would almost certainly lead to the finance minister's resignation. This could in turn jeopardize the coalition base of Burnham's government. 7

Among the specific points of difference are Burnham's frustration upon learning from D'Aguiar that funds are not available for completion of a coastal road which is a favorite project of the prime minister. Other frictions between the two include a lack of agreement over a proposed national security law, charges by D'Aguiar's United Force Party (UF) that Burnham is squandering funds, and a dispute over the composition of a new Amerindian Commission. During a recent cabinet meeting D'Aguiar announced that he would resign if certain appointments made by the government to the Amerindian Commission were not changed.

Burnham has hinted that he may ask some ministers to resign to allow a reformation of the cabinet, which now includes three UF members.	25X1
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THE PRESIDENT

The Vice President

Executive Offices of the White House

Special Assistants to the President

The Scientific Adviser to the President

The Director of the Budget

The Department of State

The Secretary of State

The Under Secretary of State

The Under Secretary of State for Political Affairs

The Deputy Under Secretary of State for Political Affairs

The Counselor and Chairman of the Policy Planning Council

The Director of Intelligence and Research

The Treasury Department

The Secretary of the Treasury

The Under Secretary of the Treasury

The Department of Defense

The Secretary of Defense

The Deputy Secretary of Defense

The Secretary of the Army

The Secretary of the Navy

The Secretary of the Air Force

The Assistant Secretary of Defense (International Security Affairs)

The Chairman, The Joint Chiefs of Staff

Chief of Naval Operations, United States Navy

Chief of Staff, United States Air Force

Chief of Staff, United States Army

Commandant, United States Marine Corps

U.S. Rep., Military Committee and Standing Group, NATO

Supreme Allied Commander, Europe

Commander in Chief, Pacific

Commander in Chief, Atlantic

The Director, Defense Intelligence Agency

The Director, The Joint Staff

The Assistant Chief of Staff for Intelligence, Department of Army

The Director of Naval Intelligence, Department of Navy

The Assistant Chief of Staff, Intelligence, Department of the Air Force

The Department of Justice

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